

Message

From: Dickinson, David [Dickinson.David@epa.gov]
Sent: 10/31/2018 5:13:01 PM
To: Simon, Karl [Simon.Karl@epa.gov]; Charmley, William [charmley.william@epa.gov]; Moran, Robin [moran.robin@epa.gov]
Subject: Few articles re Autos position(s) on SAFE

<https://insideepa.com/daily-feed/ewire-auto-companies-split-vehicle-ghg-rule-stringency>

The Daily Feed**Ewire: Auto companies split on vehicle GHG rule stringency**

October 30, 2018

Major auto manufacturers are split on their preferred stringency of vehicle greenhouse gas and fuel economy rules as the Trump administration seeks to roll back Obama-era limits, underscoring the sector's lack of a unified position on EPA and the Transportation Department's controversial rule.

[Bloomberg has a good roundup](#) of formal comments from individual auto companies, reporting that the differences “could hamper their efforts to coax” California and the White House to reach a bargain on the standards and avoid a years-long court battle.

According to the story, Fiat Chrysler called for talks with California, but said that if those talks fail, President Donald Trump “should proceed with his plan to revoke the state's authority to regulate” vehicle GHGs and impose zero-emission vehicle (ZEV) sales requirements.

The story also noted that Ford Motor Co. reiterated its call for the agencies to reclassify two wheel-drive SUVs as light trucks rather than cars, meaning they would be subject to softer fuel economy requirements.

[Reuters also reports](#) that General Motors -- which had earlier unveiled its proposal for [a national ZEV mandate](#) that drew early skepticism from environmentalists -- seeks annual increases in fuel economy at “historic rates.”

That translates into 1 percent annual gains, the automaker said, which is far lower than the roughly 5 percent yearly improvement in the current, Obama-era standards.

[As Inside EPA's Doug Obey reported yesterday](#), Honda is seeking a 5 percent improvement coupled with additional compliance credits for electric vehicles.

Ford also backed “year-over-year” stringency increases, but declined to specify its preferred stringency, saying only that trucks should not have tougher requirements than cars.

In addition, Reuters reports that Fiat Chrysler warned that freezing standards at model year 2020 levels -- the Trump proposal's “preferred” scenario -- would still force industry to “continue to improve fuel economy,” given that its backlog of compliance credits will expire.

As such, the company said, if standards increase beyond MY20 levels, “the situation worsens . . . without some significant form of offset or flexibility

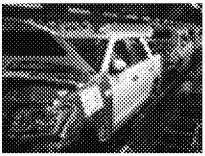
<https://www.bloomberg.com/news/articles/2018-10-29/gm-ford-fiat-chrysler-differ-on-goals-for-tailpipe-standards>

GM, Ford, Fiat Chrysler Differ on Goals for Tailpipe Standards

By
John Lippert
 and
Ryan Beene

October 29, 2018 1:58 PM

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- Lack of united front could hamper their efforts on regulations
 - Shell asks Trump to reconsider revoking California authority
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Photographer: Luke Sharrett/Bloomberg
 Photographer: Luke Sharrett/Bloomberg

Detroit automakers expressed divergent views on how to reform U.S. fuel economy and tailpipe emissions rules, even as they urged President Donald Trump to continue coordinating the federal government's policies with those enacted by California.

The automakers and others explained their views in public comments on the Trump plan that they filed before the Friday midnight deadline. Differences among them could hamper their efforts to coax Sacramento and Washington to the bargaining table before Trump finalizes his rules as early as next March.

Key Insights

- General Motors Co. reiterated its call for a 50-state zero-emission vehicle requirement modeled after California's. But automaker also urged California to compromise. The new rules "should not require high-cost investment in marginal internal combustion engine improvements that customers are not willing to pay for and that divert resources from the further development of electrification," the automaker said.
 - GM called for a national building code that would require all new construction of single-family and multi-unit dwellings to support the recharging for electric cars.
- Ford Motor Co. urged the administration to drop the idea, contained in some of the scenarios in its proposed rules, of requiring fuel economy standards to increase at a faster rate for trucks than for passenger cars. Ford also urged that all two-wheel-drive sports utility vehicles be counted as trucks, not cars.
 - Ford warned that the Trump regulatory plan could result in years of litigation. While the trials are underway, the company could face a bifurcated U.S.

market in which some vehicles with certain options and power trains can be sold in some states but not others. “The long-term impact is difficult to quantify, but could be quite negative to Ford’s financial health and its employees,” the company said.

- Fiat Chrysler Automobiles NV urged talks with California but said that if the talks fail, Trump should proceed with his plan to revoke the state’s authority to regulate carbon dioxide emissions from tailpipes and to mandate electric car sales. Even with heavy incentives from governments and automakers, hybrid and zero-emission vehicle sales account for 3.3 percent of the U.S. market. That’s down from 3.7 percent in 2013.

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- Honda Motor Co. called on Trump to negotiate with California instead of revoking the state’s rule-making authority. Honda said key elements of the administration’s claim that the rollback would improve traffic safety are flawed and should be scrapped.
- Shell Oil Products U.S. asked the administration to reconsider its crackdown on California. “The proposed revocation of the California waiver has already resulted in litigation and is likely to result in extended uncertainty that will hinder efforts to reduce emissions,” Shell said.